

IN THE MATTER OF THE FACT-FINDING BETWEEN

CITY OF COUNCIL BLUFFS, IOWA, :
: CEO #180
Employer, : Sector 1
:
and :
: FACT-FINDER'S REPORT
AFSCME Local 2844 :
:
Union. :
:

APPEARANCES

For the Union: Dan J. Homan
Raela Baird
Jay Kennedy
R. L. Knecht Jr.
Robert Tacke
Emily Smith

For the City: Jim Brick
Matt Brick
Jerry Mauer
Cindy Lynch

BACKGROUND

The Fact-Finding hearing in this matter was held on January 23, 2004, at the Council Bluffs City Hall, commencing at approximately 10:00 A.M. The Employer was represented by James Brick, Attorney, and testimony on behalf of the Employer was received from Terry Mauer, Director of Finance, Personnel, and Cindy Lynch, Assistant Director of Personnel. The Employer offered four multi-paged exhibits, which were marked "A", "B", "C" & "D", and which were received in evidence. The Union was represented by Dan J. Homan, AFSCME/Iowa Council 61 Representative, who offered and discussed two multi-paged exhibits in support of the Union's

offers. Those exhibits were also received into evidence. The respective positions of the parties on the impasse items were well presented. The receipt of evidence was concluded at 1:45 P.M.¹

ISSUES

There are three items at impasse in this matter. They are:²

1. Wages (what the increase in wages for the 2004-2005 contract year should be)
2. Insurance (what the employee contribution to the cost of health insurance should be during the 2004-2005 contract year)
3. Sick leave (whether language from the 2002-2003 contract should be part of 2004-2005 contract or whether language substituted therefore unilaterally by the Employer during the 2003-2004 contract year should be continued)

In summary, the Union proposes the wages of the bargaining unit members be increased across-the-board by 4% commencing July 1, 2004, and the Employer proposes an across-the-board wage increase of 2%, effective July 1, 2004. Regarding the health-insurance

¹At the conclusion of the hearing James Brick requested permission to file a post hearing brief. Dan Homan objected and the undersigned, in view of the time constraints for completion of the report in this matter, declined to accept briefs from the parties. However, the undersigned did offer to take closing arguments and statements, which offer was declined by the parties.

²In its fact-finding offer to the Union, the Employer indicated it would "...object to consideration by the fact-finder of any proposals regarding non-mandatory subjects of bargaining (ie: uniforms)..." That objection was withdrawn by the Employer at the commencement of the hearing. The parties then subsequently agreed the three items as set forth above were the items at impasse upon which the undersigned was to make recommendation. The offers of the parties are attached hereto and marked as Exhibits "A" & "B". The Union's offer reflects tentative agreements on other items not before the undersigned.

item, the Union proposes employee contributions of 10¢ per month toward the cost of single health insurance coverage and \$10.00 per month toward the cost of dependent health insurance coverage. The contractual language implementing the Union's proposal is that which is set forth in the attached Exhibit "C". The Employer proposes employees pay 5% of the monthly cost of health insurance coverage. The contractual language the Employer proposes to implement its offer is forth in the attached Exhibit "D". With respect to the sick-leave item, the Union's offer is reflected in the attached Exhibit "E", and the Employers's offer is reflected in the attached Exhibit "F".

As the undersigned has noted in other reports, while Chapter 20 of the Code of Iowa does not specify what criteria fact-finders are to consider in making recommendations, it is common practice to consider the criteria specified in Section 20.22(9) of the Code for Arbitrators to consider. The undersigned will make reference to those criteria where applicable in the undersigned's judgement in the following discussion.³

I. WAGES

A. Comparison Evidence - Findings

Although the Union offered comparison evidence on this item, the undersigned finds the comparison evidence offered by the

³The Employer at the hearing did not submit that it did not have the ability to finance any of the offers on the items at impasse. It did however present cost information on the wage and insurance items and did suggest a difficulty with respect to funding the costs of the health insurance benefit.

Employer to be as probative as any received in the resolution of the impasse on this item. Employer Exhibit B, at pages 35-38, compared the combination of hourly wage rates and longevity pay amounts for seven benchmark positions in the Council Bluffs unit to the combination of those forms of compensation for the same/similar positions in ten Iowa cities.⁴ The information provided shows the Council Bluffs combined hourly wage and longevity pay amount, for each position compared, to be below the average of the amounts paid by the ten other cities surveyed:

A. Utility Worker II (Truck Driver)	<u>6 yrs.</u>	<u>Avg. 13 yrs.</u>	<u>26 yrs.</u>
Council Bluffs	\$15.71	\$15.82	\$16.08
Average	\$16.15	\$16.37	\$16.74
B. Equipment Operator I (Light Equipment)			
Council Bluffs	\$16.22	\$16.33	\$16.59
Average	\$17.11	\$17.42	\$17.86
C. Equipment Operator III (Heavy Equipment)			
Council Bluffs	\$17.23	\$17.34	\$17.60
Average	\$18.46	\$18.77	\$19.20

⁴Those cities are Cedar Rapids, Davenport, Sioux City, Waterloo, Iowa City, Dubuque, Ames, West Des Moines, Cedar Falls and Bettendorf. The Union chose the same cities for comparison on the impasse items. Not all of the ten cities have comparable positions to those in Council Bluffs. The cities and positions therein where no comparison can be found are:

West Des Moines - Truck Driver, Light Equipment Operator, and Plant Operator II
 Bettendorf - Truck Driver, Plant Operator II
 Iowa City - Sign Tech III
 Ames - Sign Tech III
 Sioux City - Plant Operator II

D. Equipment Mechanic	<u>6 yrs.</u>	<u>Avg. 13 yrs.</u>	<u>26 yrs.</u>
Council Bluffs	\$18.28	\$18.39	\$18.65
Average	\$19.45	\$19.77	\$20.22
E. WPC Plant Operator II			
Council Bluffs	\$18.28	\$18.39	\$18.65
Average	\$19.17	\$19.40	\$19.77
F. Sign Tech III			
Council Bluffs	\$18.28	\$18.39	\$18.65
Average	\$18.57	\$18.92	\$19.39
G. Parks Worker II			
Council Bluffs	\$17.23	\$17.34	\$17.60
Average	\$17.60	\$17.90	\$18.32

The wage settlements in the comparison group for blue-collar contracts beginning July 1, 2004, as reported by the Employer in its Exhibit B, at page 40, are probative as well in this matter. Those settlements suggest a higher percentage in the wage increase than that offered by the Employer:

Iowa City	2.65%
Sioux City	4.50%*
Waterloo	3.50%*
West Des Moines	2.50%*
Bettendorf	3.00%*
Average	3.23%

*Multi-year contract

B. Bargaining History - Findings

It would appear that prior to the 2003-2004 contract year, the parties had voluntarily settled their contracts for approximately thirteen years. See Union Exhibit, Richard Pegnetter's fact-finding report of March 9, 2003, at page 6. During negotiation of

the 2003-2004 contract, the bargaining unit rejected a tentative agreement on wages, and health insurance and sick leave, (among other items) reached by its bargaining team and representatives of the Employer. A fact-finding report issued by Richard Pegnetter thereafter did not settle the impasse, and, after the statutory deadline for arbitration had passed, the Employer imposed an across-the-board wage increase of 2.5% for the bargaining-unit classification. See testimony of the parties at the hearing in this matter, Employer Exhibit C, and the Union Exhibit. For the three contract years prior to FY 2004, the wage settlements between the parties, as percentages, were as follows:

FY01	4.0%
FY02	3.7%
FY03	3.3%

The average of the aforesaid wage settlement is 3.67%, which would suggest a wage increase higher than that offered by the Employer for the FY05 contract.

C. Other Relevant Factors - Findings

The undersigned is of the opinion that, in situations where an employer has more than one bargaining unit it negotiates contracts with, a settlement it reaches with one of those units is a relevant and material factor for a neutral to consider in any impasse which might exist in the negotiations with another bargaining unit of the Employer. Disparities perceived by one group of employees in their compensation and terms of employment vis-a-vis those negotiated/received by another group can lead to dissatisfaction

and consequent difficulty in future contract negotiations with the group perceiving such disparities. Avoidance of whipsawing is an appropriate consideration.⁵

In the case at hand, the evidence shows the Employer has reached wage settlement for FY05 with two of its other bargaining units, to wit: the CWA (clerical and technical employees) unit and the Police unit. In each unit the employees will receive a 3% wage increase on July 1, 2004. See Employer Exhibit B, page 39. In the case of the Police bargaining unit, the FY05 wage increase is part of a two-year settlement, the first year of which (FY04) the bargaining unit employees received a 3.5% wage increase. See Union Exhibit, Richard Pegnetter's fact-finding report at page 5. It appears the CWA bargaining unit also received a 3.5% wage increase in FY04. See the aforesaid report. The FY04 and FY05 settlements reached by the Employer with the aforesaid two units would suggest a higher wage settlement than that proposed by the Employer in this matter.

D. Ability to Pay - Findings

As noted previously, the Employer did not submit to the undersigned that it could not fund a higher wage settlement than that offered by it in this matter, and, the fact that it has settled the contracts with its clerical/technical employees and its

⁵Also, one would expect the various components of "cost of living" to be similar for members of all the bargaining units of an employer.

police employees at a higher percentage than it has offered the bargaining unit in this case would not suggest otherwise.⁶

RECOMMENDATION

After considering all of the evidence relating to the wage impasse item and the factors outlined in Section 20.22(9) of the Code, the undersigned recommends a 4% across-the-board wage increase for members of the bargaining unit effective July 1, 2004. Such a wage increase is consistent, in the opinion of the undersigned, with the rate of the increases voluntarily negotiated by the parties in FY01 through FY03. While it is a higher percentage than that which will be received by employees in the CWA and Police units in FY05, over the two year period of FY04 and FY05 the total of the percentages will be equivalent among the three groups.

II INSURANCE

A. Comparison Evidence - Findings

The evidence relating to insurance comparables, in the judgment of the undersigned, is best characterized as mixed. It seems clear the health insurance plan provided to the bargaining unit, taking into account its deductibles, out-of-pocket maximums, co-insurance percentages and prescription co-pays, does not provide

⁶The CWA unit has 82 employees in it and the Police unit has 88 employees in it. See Employer Exhibit B, at page 39. There is not such a disparity in those numbers, versus the number of employees in the AFSCME unit, as would suggest funding a settlement greater than 2.0% with that unit would pose a financial hardship.

benefits so generous as to be out of the norm for the plans of the ten cities chosen by the parties for comparison. See Union Exhibit, pages 26-28. On the other hand, the amounts the Union's offer proposes, with respect to bargaining unit contributions to the cost of health insurance, do appear to this fact-finder be less than the average. In the ten cities chosen by the Union and Employer for comparison, the average, monthly employee contribution for single coverage, as of July 1, 2003, was \$1.38 versus the 10¢ the Union proposes in this matter and the average monthly contribution for dependent coverage by the employees compared as of July 1, 2003, was \$33.79, versus the \$10.00 per month the Union proposes in this matter. See the Union Exhibit, at pages 29-32.

In addition to health insurance coverage, the Employer provides dental and optical insurance coverage for employees in the bargaining unit and for their dependents. In the comparison group of the parties, Cedar Falls provides no dental benefit for its blue-collar unit, and Cedar Rapids, Iowa City, Dubuque, Ames and Cedar Falls provide no optical benefit plan for their blue-collar units. Employer Exhibit B, at page 24, revealed the following information regarding employee contributions toward the cost of employee and dependent coverage under the health, dental and optical insurance plans in the comparison group:⁷

⁷Although the exhibit doesn't make it clear, presumably these are the figures are for FY04. The undersigned notes some variance in the employee contribution amounts shown for certain cities in the Union's Exhibit, but does not find the differences to be material. Although the Union compared only health

	Health	Dental	Optical	Total
Cedar Rapids	10.00	24.70		34.70
Davenport	25.00	0	0	25.00
Sioux City	0	0	24.50	24.50
Waterloo	10.00			10.00
Iowa City	40.00	41.06		81.56
Council Bluffs	43.05	0	0	43.05
Dubuque	0	79.01		79.01
Ames	78.71			78.71
West Des Moines	70.92	49.02	0	119.94
Cedar Falls	89.41			89.41
Bettendorf	0			0
Average	33.37	27.76	6.13	67.26

The forgoing information would suggest the contribution required of Council Bluffs employees toward the cost of health insurance during FY04 is not out of line, when one takes into account the dental and optical insurance benefit for which no contribution is required.

The undersigned also observes the record shows a number of neutrals recommended increases in the contributions by bargaining-unit employees toward the cost of health insurance in cities compared by the parties. The Union, among the reports or awards it offered for review, included the March 23, 2003 report of Fact-finder Rex H. Wiant. He noted, with respect to the impasse on health insurance between the City of Davenport and its blue-collar unit, the following:

...This is the real issue that has kept the parties from reaching agreement. For many years the Employer paid the full cost on health insurance of Single and Family Plans. The

insurance contributions by Employers and employees in the group, the undersigned finds the Employer's approach comparing all insurance benefits, to be reasonable. A dollar spent on one form of compensation or another is one less dollar than might be spent on another form of compensation.

Employer is seeking relief by making those with single coverage pay 1% and Family Coverage pay 2% of the cost. The Union has steadily refused to consider such change... Comparability in this area is split on the issue but the Fact-finder believes that wholly paid Employer plans are a dinosaur... The trend across-the-board is to have employees bear some of the cost with the theory that once you pay for something you are more likely to try to control the cost of it...

Fact-finder Wiant went on to recommend employees taking single insurance pay 1% per month and employees taking family coverage pay 2% per month.⁸

The March 18, 2003 fact-finding report of John L. Sandy, set fourth in the Union's Exhibit, is also pertinent. Fact-finder Sandy recommended that the contractual health insurance benefit for the Davenport Police bargaining unit be modified from one paid for entirely by the City to one paid for in part by bargaining unit employees. Fact-Finder Sandy found:

... 1. That a history of negotiations for the bargaining unit has placed a premium on maintaining health insurance for its membership without cost.

2. That escalating insurance costs were not contemplated by the parties to the extent they have increased for the employees of the unit.

Fact-finder Sandy went on to recommend "... that a bifurcated approach similar to Council Bluffs employees should be approved..." He recommended "... no change... for employees who are certified

⁸In an arbitration between the City of Davenport and the Union, after this report was issued, the Union offered to increase the amount of employee contribution by means of a flat-dollar amount; substantially equivalent to what the Fact-finder Wiant found the percentage approach would generate. Arbitrator Ron Hoh then found the Union offer to be appropriate.

... as of June 30, 2003 ..." and "... all employees hired ... after June 30, 2003 ... pay \$3.50 per month for single coverage and \$18.50 for family coverage ..." See also Fact-finder Harvey A. Nathan's report in the Union Exhibit wherein he recommended employees in the Iowa City AFSCME unit pay more toward the cost of dependent health insurance coverage.

B. Bargaining History - Findings

It is apparent in the record made that, from the 1990 contract year to the commencement of negotiations for the FY04 contract, the parties voluntarily settled any differences they might have had with respect to the health insurance benefit. See Union Exhibit Richard Pegnetter's Report at page 6. It is also apparent the Employer imposed a significant change in FY04, one which required employees to pay 5% of the cost of health insurance rather than the 10¢ per month for single coverage and the \$10.00 per month for family coverage, which they had paid during the term of the 2001-2003 agreement between the parties. See the July 15, 2003 inter-office memo of Cindy Lynch in the Union Exhibit. What conclusions to draw from this history, with respect to resolution of the impasse at hand, are not immediately apparent, for the largest increases in the cost of insurance for the bargaining unit have occurred in the last couple of years. However, when one considers the Union committee/team which bargained for the FY04 contract tentatively agreed to increase the bargaining-unit employee contribution in line with that agreed to by the Employer's Police

unit, a possible resolution to the impasse in this matter is suggested. See City Exhibit C and testimony at hearing. While the term "tentative" means an agreement by the bargaining team is conditional upon a favorable vote of the unit and Employer, such an agreement, once reached, does suggest one measure of what would be reasonable for a neutral to recommend. In this case the fact the Employer's representatives, until rejection of the tentative agreement by the bargaining unit, were willing to accept a flat-dollar increase in employee contributions, in line with its settlement with the police, also suggests that approach may be more appropriate than the percentage approach it imposed.⁹

C. Other Relevant Factors - Findings

The Employer has settled the health insurance issue with two of its other bargaining units, the Police Unit and CWA Unit. In the Police contract, the Employer and the bargaining unit have agreed that employees hired before July 1, 2003, pay \$10.00 per month toward the cost of single coverage and \$24.00 per month toward the cost of family coverage. Employees hired after July 1, 2003, pay \$10.00 per month for single coverage and \$56.00 per month toward family coverage. In the case of the CWA bargaining unit, employees by agreement pay 5% of the cost. From these comparisons one can not find a pattern which would favor one approach over the other for consideration in the case of the AFSCME blue-collar unit.

⁹Tentative agreements may also be an "other relevant factor".

However, the flat-dollar/bifurcated system of the police-unit agreement would more closely parallel what had been bargained by the parties to this impasse in prior years of negotiation.

D. Ability to Pay - Findings

Strictly speaking, the Employer's ability to pay, either offer on the health-insurance impasse item is not at issue. However, the record made clearly establishes the cost of the benefit is a growing problem, a problem that neither the Employer nor the Union can or should ignore. The annual cost of insurance per employee in the Employer's insurance group more than doubled from FY01 through the first six months of FY04. In FY01 the cost per employee was \$5,544.00, and the rate in the first six months of FY04 was \$11,448.00. Put in terms of a 2080 hour work year, the increase is equivalent to \$2.84 per hour. See Employer Exhibit B, at page 26. The annual cost of health insurance for the bargaining unit from FY04 through FY05 is projected to increase from \$795,247.92 to \$994,062.48. See Employer Exhibit B, at page 17.¹⁰ Given that there are 100 employees in the bargaining unit currently receiving health insurance benefits, (see Employer Exhibit B, at page 18), the projected increase would be equivalent to \$1,988.14 per employee during FY05 or almost \$.96 per hour per employee in the unit who works a 2080 hour work-year.

¹⁰These figures combine the Employer's and employee's shares of the cost under the current system, as shown in the aforesaid Employer Exhibit.

Although the record indicates in the past the bargaining unit has not negotiated lower wage increases in exchange for maintenance of the health insurance benefit (see Richard Pegnetter's report, page 3, in the Union Exhibit), it would seem logical to conclude, absent some effort to contain the cost to the Employer, that cost of health insurance will impact the wage level for this bargaining unit in the future, a wage level which already appears to be below average.

RECOMMENDATION

In its presentation, the Union submitted that it is the practice in labor negotiations, before a long-term benefit is changed, some quid pro quo should be offered by the party seeking the change. As a general proposition, the undersigned would agree. However, neutrals must decide each case of impasse on the particular facts of the case. In application this principle dictates that, if a significant problem is demonstrated by one party with respect to a contractual provision, the other party should show it is willing to take steps to mitigate/address the problem. In this matter, the undersigned concludes the amount the Union seeks to have the bargaining-unit employees pay toward the cost of health insurance is not reasonable, when one considers comparability, internal as well as external, and the increase in the cost of the benefit in the past few years.

On the other hand, the percentage approach to the employee share of the cost of the benefit, imposed in July of 2003, varies

significantly, in the opinion of this Fact-finder, from the practice of the parties in their prior years' contracts, contracts in which the employee share of the cost was a flat-dollar amount. Given the fact that one of the Employer's other bargaining units will contribute flat-dollar amounts toward the cost of health insurance in FY05, the undersigned concludes the record as a whole supports this approach in resolving the impasse on the health insurance item.

Therefore, the undersigned recommends, effective July 1, 2004, employee contributions toward the cost of health insurance be as follows:¹¹

Employees pay \$10.00 per month for single coverage.
Employees hired before July 1, 2003, pay \$24.00 per month for family coverage.
Employees hired after July 1, 2003, pay \$56.00 per month for family coverage.

III SICK LEAVE

A. Comparison Evidence - Findings

At the hearing in this matter, the Union admitted the language from the 2001-2003 contract between the parties, which it proposes on this item, lacks comparability with language regarding sick leave in the blue-collar contracts of the ten cities the parties have used for comparison. It is clear, in terms of external comparisons of the contracts of the ten cities used by the parties,

¹¹It is the intent of this recommendation that the AFSCME Unit's contract provision regarding employee payments be the same as the Police Units contract provision regarding employee payments. The specific language of the Police contract was not made part of the record in this matter.

the Employer's proposed language is more consistent with the practice in those ten cities. Employer Exhibit B, at page 31 reflects the following regarding accumulation/accrual of sick leave in the cities compared.

	Number of Hours Accumulated Monthly	Maximum Accrual
Cedar Rapids	8	none
Davenport	6.7	960
Sioux City	8	none
Waterloo	8	none
Iowa City	8	1449
Dubuque	8	960
Ames	8	none
West Des Moines	8	960
Cedar Falls	8	none
Bettendorf	6.66	960

This factor would favor the Employer's offer on this item.

B. Bargaining History - Findings

The record made by the parties establishes that prior to July 1, 2003, the language proposed by the Union in this fact-finding had been part of the contract between it and the Employer for a long period of time.¹² In its Exhibit B, at page 29, the Employer states, in relevant part, "... all employees have been on the same sick leave program since 7-1-78. Under this program employees were given 180 calendar days of sick leave per disability at 80% of their wage..." See also the statements/testimony at the hearing in this matter.

¹²Effective July 1, 2003, the Employer imposed the language it offers in this matter after the time for binding arbitration expired. In the tentative agreement which the Union rejected reached prior to July 1, 2003, the Employer's representatives had agreed to continue sick leave as it was in the 2001-2003 contract.

The historical factor would favor the Union's offer on this item.

C. Other Relevant Factors - Findings

Employer Exhibit B, at page 29, reflects the city negotiated the language it offers in this matter into the CWA contract effective July 1, 1993, into the Police contract effective July 1, 1999, and into the Firefighter's contract effective July 1, 2002. There are two conclusions one can draw from this evidence. First, one can conclude internal comparisons would indicate the Employer's offer on this item is reasonable. The second conclusion one can draw is that, from July 1, 1993 to July 1, 2003, the Employer found the variance between the units it bargained with on this item to be an acceptable result of the collective bargaining process. The undersigned finds the evidence in this regard favors neither offer over the other.

D. Ability to Pay - Findings

That there is a cost to sick leave cannot be argued. However, evidence relating to the cost under the provisions followed in the current fiscal year and the cost in prior fiscal years, under the language in place then, was absent in the record made.

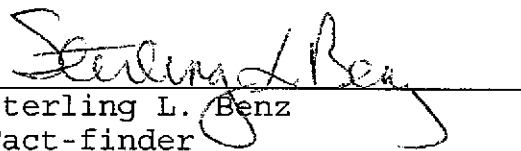
The undersigned concludes this factor is not determinative to resolution of the impasse.

RECOMMENDATION

Unlike the case regarding the health insurance impasse item, the undersigned finds no problem significant enough to justify the

change imposed by the Employer when negotiations failed and the time for arbitration expired for the 2003-2004 contract. While comparability favors the Employer's offer, bargaining history as a factor does not. Bargaining history represents a give and take over the years which neutrals should be hesitant to upset in the absence of any significant problem. In view of the evidence as a whole, the undersigned recommends the Union's offer on this impasse item. The language implementing to implement this recommendation is set forth in Article 17 from the 2001-2003 contract, a copy of same being attached hereto and marked as Exhibit "E".

Dated this 4th day of February, 2004.


Sterling L. Benz
Fact-finder

January 5, 2004

OFFICE OF:
FINANCE AND PERSONNEL DEPARTMENT
PERSONNEL DIVISION
(712) 328-4604

Mr. Dan Homan
AFSCME Council 61
4320 N.W. Second Avenue
Des Moines IA 50313

Dear Mr. Homan,

The City of Council Bluffs makes the following one-year proposal as its final offer to American Federation of State County and Municipal employees Local 2844:

1. Article 6 – Wages

The City offers a 2% across the board wage increase effective July 1, 2004.

2. Article 14 – Health Insurance

The City proposes continuation of :

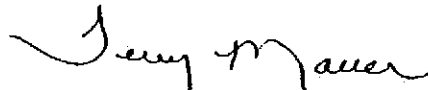
- a) Current health insurance benefits
- b) Current contribution rates (City 95%; Union 5%)

3. Article 17 – Sick Leave

The City proposes continuation of current sick leave benefits

4. The City will object to consideration by the factfinder of any union proposals regarding non-mandatory subjects of bargaining (i.e. uniforms).

Sincerely,



Terry L. Mauer
Director of Finance & Personnel

EXHIBIT A PAGE 1 OF 1





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January 13, 2004

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Stoltze, Schuling & Levis, P.C.
Attorneys and Counselors at Law
39th and Ingersoll
550 Thirty-Ninth Street, Suite 200
Des Moines, Iowa 50312

Dear Mr. Brick:

As required by the "Rules of the Public Employment Relations Board", Chapter 7 - Impasse Procedures, 7.4(20) - Fact-finding, 7.4(3) - Notice of Hearing and exchange of proposal, enclosed are AFSCME Local 2844 issues that the Union shall present to the Fact Finder for resolution by the Fact Finder. The Union shall present one (1) issue to the Fact Finder. The issue to be presented will be Article 6 - Wages. The rest of the Contract will be as follows:

<u>Article</u>	<u>Description</u>	<u>Proposal</u>
1	Preamble	Contract Language of the 2001 - 2003 Contract
2	Recognition	Contract Language of the 2001 - 2003 Contract
3	Management Rights	Contract Language of the 2001 - 2003 Contract
4	Subsequent Classification	Contract Language of the 2001 - 2003 Contract
5	Dues Check Off	As TA'ed on 12/3/2003
6	Wages	Union Proposal Attached
7	Part Time Employees	Contract Language of the 2001 - 2003 Contract
8	Hours of Work	As TA'ed on 12/3/2003
9	Overtime	Contract Language of the 2001 - 2003 Contract
10	Minimum Time Pay Allowances	As TA'ed on 12/3/2003

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EXHIBIT B PAGE 1 OF 6

<u>Article</u>	<u>Description</u>	<u>Proposal</u>
11	Perfect Attendance Pay	As agreed to on 12/3/2003
12	Severance	As TA'ed on 12/3/2003
13	Acting Pay	Contract Language of the 2001 - 2003 Contract
14	Health Insurance	Contract Language of the 2001 - 2003 Contract
15	Life Insurance	As agreed to on 12/3/2003
16	Holidays	Contract Language of the 2001 - 2003 Contract
17	Sick Leave	Contract Language of the 2001 - 2003 Contract
18	Vacation	As agreed to on 12/3/2003
19	Leave of Absence	Contract Language of the 2001 - 2003 Contract
20	Uniform and Protective Clothing	Contract Language of the 2001 - 2003 Contract
21	Personal Loss	Contract Language of the 2001 - 2003 Contract
22	Tool Allowance	Contract Language of the 2001 - 2003 Contract
23	Union Activity	As TA'ed on 12/3/2003
24	Union Negotiating Committee	As TA'ed on 12/3/2003
25	General Provisions	As agreed to on 12/3/2003
26	Rules and Regulations	Contract Language of the 2001 - 2003 Contract
27	Safety	Contract Language of the 2001 - 2003 Contract
28	Seniority	As TA'ed on 12/3/2003
29	Settlement of Disputes	Contract Language of the 2001 - 2003 Contract
30	Transfers and Promotions	As agreed to on 12/3/2003
31	Union Management Committee	Contract Language of the 2001 - 2003 Contract
32	Drug Testing	Contract Language of the 2001 - 2003 Contract
33	Terminal Leave	Contract Language of the 2001 - 2003 Contract
34	Wavier	Contract Language of the 2001 - 2003 Contract
35	Savings Clause	Contract Language of the 2001 - 2003 Contract
	Agreement	Contract Language of the 2001 - 2003 Contract

Appendices

	<u>Description</u>	<u>Proposal</u>
A	Job Classification Plan	Contract Language of the 2001 - 2003 Contract

ARTICLE 6

WAGES

Section 1. General Provisions

Effective 7-1-04 employees shall be paid in accordance with the pay scale in Appendix B which shall reflect a 4% increase at each grade and step.

Section 2. Promotion Pay Increases

Current Contract Language

Section 3. Longevity Pay

Current Contract Language

Section 4. Pay Period

Current Contract Language

Section 5. Step Increases

Current Contract Language

Section 6. Shift Differential

Current Contract Language

AGREEMENT

This agreement shall begin July 1, 2004 and continue in force to and including June 30, 2005.

In witness whereof, the parties have caused this agreement to be signed by their representatives and their signatures placed thereon, all on this ____ day of _____ 2004, at Council Bluffs, Iowa.

City of Council Bluffs, Iowa

American Federation of State,
County and Municipal Employees,
Local 2844

BY: _____

Terry Mauer,
Director of Personnel
City of Council Bluffs

BY: _____

Danny J. Homan
AFSCME/Iowa Council 61
Union Representative

BY: _____

Thomas P. Hanafan, Mayor
City of Council Bluffs

BY: _____

Robert Tacke, President
AFSCME Local 2844

AFSCME PAY SCALE 7-1-04 THROUGH 6-30-05

Appendix B

STEP:	2	3	4	5	6	7	8
TIME IN STEP:	1 YR	1 YR	1 YR	1 YR	1 YR	1 YR	
14 A	26,342.40	27,125.04	28,263.12	29,352.24	30,852.60	31,807.32	33,079.68
M	2,195.20	2,260.42	2,355.26	2,446.02	2,571.05	2,650.61	2,756.64
B	1,009.29	1,039.28	1,082.87	1,124.62	1,182.08	1,218.68	1,267.42
H	12.6161	12.9910	13.5359	14.0577	14.7760	15.2335	15.8427
O	18.9242	19.4865	20.3039	21.0866	22.1640	22.8503	23.7641
15 A	27,125.04	27,837.48	28,959.24	30,084.36	31,582.32	32,559.96	33,862.56
M	2,260.42	2,319.79	2,413.27	2,507.03	2,631.86	2,713.33	2,821.88
B	1,039.28	1,066.58	1,109.54	1,152.66	1,210.05	1,247.51	1,297.42
H	12.9910	13.3322	13.8693	14.4082	15.1256	15.5939	16.2177
O	19.4865	19.9983	20.8040	21.6123	22.6884	23.3909	24.3266
16 A	27,837.48	28,792.44	29,928.48	31,036.80	32,603.88	33,612.96	34,957.44
M	2,319.79	2,399.37	2,494.04	2,586.40	2,716.99	2,801.08	2,913.12
B	1,066.58	1,103.16	1,146.69	1,189.14	1,249.18	1,287.86	1,339.36
H	13.3322	13.7895	14.3336	14.8643	15.6148	16.0982	16.7420
O	19.9983	20.6843	21.5004	22.2965	23.4222	24.1473	25.1130
17 A	28,792.44	29,780.76	30,900.12	32,005.20	33,608.52	34,649.28	36,035.40
M	2,399.37	2,481.73	2,575.01	2,667.10	2,800.71	2,887.44	3,002.95
B	1,103.16	1,141.03	1,183.91	1,226.25	1,287.69	1,328.40	1,380.66
H	13.7895	14.2629	14.7989	15.3281	16.0961	16.6050	17.2583
O	20.6843	21.3944	22.1984	22.9922	24.1442	24.9075	25.8875
18 A	29,780.76	30,766.56	31,905.24	33,007.08	34,661.40	35,734.80	37,164.12
M	2,481.73	2,563.88	2,658.77	2,750.59	2,888.45	2,977.90	3,097.01
B	1,141.03	1,178.79	1,222.42	1,264.63	1,328.02	1,369.14	1,423.91
H	14.2629	14.7349	15.2803	15.8079	16.6003	17.1143	17.7989
O	21.3944	22.1024	22.9205	23.7119	24.9005	25.6715	26.6984
19 A	30,766.56	31,612.80	32,704.08	33,878.76	35,563.44	36,663.96	38,130.84
M	2,563.88	2,634.40	2,725.34	2,823.23	2,963.62	3,055.33	3,177.57
B	1,178.79	1,211.22	1,253.04	1,298.04	1,362.58	1,404.75	1,460.95
H	14.7349	15.1403	15.6628	16.2255	17.0322	17.5594	18.2619
O	22.1024	22.7105	23.4942	24.3383	25.5483	26.3391	27.3929
20 A	31,612.80	32,740.08	33,892.68	35,034.24	36,788.76	37,927.44	39,444.12
M	2,634.40	2,728.34	2,824.39	2,919.52	3,065.73	3,160.62	3,287.01
B	1,211.22	1,254.41	1,298.57	1,342.30	1,409.53	1,453.16	1,511.27
H	15.1403	15.6801	16.2321	16.7788	17.6191	18.1645	18.8909
O	22.7105	23.5202	24.3482	25.1682	26.4287	27.2468	28.3364
21 A	32,740.08	33,912.12	35,050.92	36,192.12	37,996.44	39,172.56	40,739.64
M	2,728.34	2,826.01	2,920.91	3,016.01	3,166.37	3,264.38	3,394.97
B	1,254.41	1,299.32	1,342.94	1,386.68	1,455.81	1,500.87	1,560.90
H	15.6801	16.2415	16.7868	17.3335	18.1976	18.7609	19.5113
O	23.5202	24.3623	25.1802	26.0003	27.2964	28.1414	29.2670
22 A	33,912.12	35,137.20	36,312.48	37,486.80	39,358.44	40,575.96	42,199.32
M	2,826.01	2,928.10	3,026.04	3,123.90	3,279.87	3,381.33	3,516.61
B	1,299.32	1,346.26	1,391.29	1,436.27	1,507.98	1,554.63	1,616.83
H	16.2415	16.8282	17.3911	17.9534	18.8498	19.4329	20.2104
O	24.3623	25.2423	26.0867	26.9301	28.2747	29.1494	30.3156

B PAGE 5 6

AFSCME PAY SCALE 7-1-04 THROUGH 6-30-05

Appendix B

STEP:	2	3	4	5	6	7	8
TIME IN STEP:	1 YR	1 YR	1 YR	1 YR	1 YR	1 YR	
23 A	35,133.00	36,402.48	37,619.76	38,836.56	40,775.16	42,036.48	43,718.40
M	2,927.75	3,033.54	3,134.98	3,236.38	3,397.93	3,503.04	3,643.20
B	1,346.10	1,394.73	1,441.37	1,487.98	1,562.26	1,610.60	1,675.03
H	16.8262	17.4341	18.0171	18.5998	19.5283	20.1325	20.9379
O	25.2393	26.1512	27.0257	27.8997	29.2925	30.1988	31.4069
24 A	36,398.04	37,712.88	38,974.20	40,234.56	42,243.00	43,549.80	45,292.44
H	3,033.17	3,142.74	3,247.85	3,352.88	3,520.25	3,629.15	3,774.37
B	1,394.56	1,444.94	1,493.26	1,541.55	1,618.50	1,668.58	1,735.34
H	17.4320	18.0618	18.6658	19.2694	20.2313	20.8572	21.6917
O	26.1480	27.0927	27.9987	28.9041	30.3470	31.2858	32.5376

A = Annual M = Monthly B = Bi-weekly H = Hourly O = Overtime

18 PAGE 6 OF 6

ARTICLE 14

HEALTH INSURANCE

Section 1. Premiums

The City shall maintain a group health insurance plan and shall pay 100% less \$1.20 per year of the premium cost for eligible employee members or 100% less \$1.20 per year of the premium cost for employee members an amount for dependent coverage whereby the employee shall contribute a total of \$5.00 per payroll period, for twenty-four (24) pay periods.

Effective 7-1-94, the City and Union agree to modify existing plan benefits for all covered employees. Effective 7-1-94, benefits shall be paid in accordance with the Preferred Provider Plan (PPO) as shown in Appendix D of this contract.

An employee who is drawing worker's compensation shall be entitled to remain on the City group insurance plan.

The City and employee will pay the proportionate share of the cost as provided in this contract.

It is understood and agreed that the employer has the right to change or modify existing health policies. During the life of this agreement no change will be made in the level of benefits except by mutual agreement of the parties hereto. The terms of the contract or policy issued by the insurance carrier or administrator shall be controlling in all matters pertaining to benefits thereunder.

Effective 7-1-99 benefits for prescription drugs under the group health plan will be modified by deleting the benefit in effect 6-30-99 and in its place, adding the PCS Prescription Drug Expense Insurance as described in Appendix E of the contract. The co-payment for eligible drugs shall be \$5.00 for a generic drug prescription and \$10.00 for a non-generic drug prescription.

Section 2. Dental Insurance

The City shall maintain a group dental insurance plan and shall pay 100% of the premium cost for employee and dependent coverage.

ARTICLE 14
HEALTH INSURANCE

Section 1. Premiums

The City shall maintain a group health insurance plan and shall pay 95% of the cost of the coverage based on the accrual rates established by the Claims Administrator. The employee shall pay the remaining 5% of the cost, divided equally among twenty-four (24) pay periods.

Effective 7-1-94 the City and Union agree to modify existing plan benefits for all covered employees. Effective 7-1-94 Health benefits shall be paid in accordance with the Preferred Provider Plan (PPO) as shown in Appendix D of this contract.

An employee who is drawing worker's compensation shall be entitled to remain on the City group insurance plan.

The City and employee will pay the proportionate share of the cost as provided in this contract.

It is understood and agreed that the employer has the right to change or modify existing health policies. During the life of this agreement no change will be made in the level of benefits except by mutual agreement of the parties hereto. The terms of the contract or policy issued by the insurance carrier or administrator shall be controlling in all matters pertaining to benefits there under.

Effective 7-1-99 benefits for prescription drugs under the group health plan will be modified by deleting the benefit in effect -30-99 and in its place, adding the PCS Prescription Drug Expense Insurance as described in Appendix E of the contract. The co-payment for eligible drugs shall be \$5.00 for a generic drug prescription and \$0.00 for a non-generic drug prescription.

Section 2. Dental Insurance

The City shall maintain a group dental insurance plan and shall pay 100% of the premium cost for employee and dependent coverage.

Specifications are to be set by the City. The union may participate with the City in establishing the specifications. The terms of any contract or policy issued or administered by the insurance carrier shall be controlling in all matters pertaining to benefits there under. If an employee or his dependents do not enroll in the City provided dental plan at the time it is offered or the time of appointment, or, if coverage is terminated by the employee, subsequent enrollment or re-enrollment may be denied by the dental carrier on the basis of underwriting policy.

Section 3. Holiday Work

In the event an employee is required to work on a holiday, in addition to holiday pay, the employee shall be compensated at the rate of one and one-half (1 1/2) times his regular rate of pay for up to eight (8) hours work. For work performed in excess of eight (8) hours, the employee shall be compensated at twice the regular rate of pay.

Section 4. Unauthorized Absence

Employees who are absent without leave on a work day immediately preceding or succeeding the observed holiday shall not be entitled to holiday pay.

Section 5. Personal Leave

Each eligible employee shall (after completion of the probationary period) receive one day of personal leave each contract year.

ARTICLE 17

SICK LEAVE

Section 1. Definition

Sick leave is leave granted for non-service connected injury or illness which prevents an employee from performing his/her duties.

Section 2. Eligibility

Permanent full-time employees shall be eligible to use sick leave after completion of the probationary period.

Section 3. Utilization

Beginning the first day of absence resulting from non-job related illness or injury, employees shall be eligible for sick pay at the rate of 80 percent of their regular wage for the first 180 calendar days per disability.

Section 4. Sick Leave Options

All sick leave accrued by employees prior to July 1, 1978, shall vest with the employee, and may be used in the following manner:

- A. Use one-half (1/2) day of accrued sick leave for each day, under the current 180 day/80% pay plan, which will result in 100% pay for each sick day.
- B. Annually cashing in accrued sick leave at the rate of one (1) day's pay for three (3) days of accrued sick leave up to a maximum of ten (10) days pay per year. This is to be paid with the first pay day in December on a separate check.
- C. Cashing in all accrued sick leave upon honorable separation from the City at the rate of one (1) day's pay for each three (3) days of accrued sick leave.

Section 5. Family Illness

Employees may receive up to sixteen (16) hours sick leave per City fiscal year for illness in his/her immediate family.

Section 6. Reporting Sick Leave

The employee or a member of the employee's household shall notify a designated location fifteen (15) minutes prior to the scheduled reporting time. No sick leave shall be granted to an employee who fails to notify the designated location fifteen (15) minutes prior to the beginning of the work shift. Immediately upon return to work, the employee shall submit a leave form to the supervisor. Only when an employee is ill, shall this section apply.

Section 7. Medical Statement

An employee may be required to furnish a medical statement, at the employee's cost, from the attending physician for any absence chargeable to sick leave:

- A. For the purpose of verifying illness or injury; or
- B. Certifying the employee as able to return to work in the position held prior to the illness or injury.

Section 8. Abuse or Fraud

Abuse of sick leave or fraudulent use of sick leave shall be cause for disciplinary action including discharge.

SECRET E PAGE 2 OF 2

ARTICLE 17

SICK LEAVE

Section 1. Definition

Sick leave is paid leave granted for the purpose of providing a recuperative period to employees who are unable to work because of a non-job related illness or injury; or, because of an illness or injury in the employee's immediate family.

Section 2. Eligibility

Permanent full-time employees shall be eligible to use sick leave after completion of the probationary period. No employee shall be entitled to sick leave for injuries or illness connected with employment or self-employment. Employment shall be defined as working for wage or profit.

Section 3. Utilization

On July 1, 2003, all regular full time employees employed as of June 30, 2003, will be credited with 832 hours of sick leave. Effective July 1, 2003, employees will earn sick leave at the rate of eight (8) hours of sick leave hours per month worked. Unused sick leave will be permitted to carry over from one year to the next; however, at no time shall total accumulated sick leave exceed 1,040 hours. Accumulated sick leave acquired since July 1, 2003, will not be paid upon termination of employment for any reason.

Section 4. Sick Leave Options

All sick leave accrued by employees prior to July 1, 1978, shall vest with the employee, and may be used in the following manner:

- A. Use one-half (1/2) day of accrued sick leave for each day, under the current 180 day/80% pay plan, which will result in 100% pay for each sick day.
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E PAGE 1 2

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Abuse of sick leave or fraudulent use of sick leave shall be cause for disciplinary action including discharge

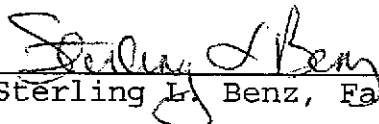
CERTIFICATE OF SERVICE

I certify that on the 4th day of February, 2004, I served the foregoing Report of Fact-Finder upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

James Brick
550 - 39th Street, Suite 200
Des Moines, IA 50312

Dan Homan
3000 Isabella Street
Sioux City, IA 51103

I further certify that on the 4th day of February, 2004, I will submit this Report for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.


Sterling L. Benz, Fact-Finder

RECEIVED
2004 FEB -5 PM 12:35
IOWA PUBLIC EMPLOYMENT
RELATIONS BOARD